



The President's Daily Brief

April 29, 1976

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~~Top Secret~~ 25X1

Exempt from general
declassification schedule of E.O. 11652
exemption category 58(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

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EGYPT-ISRAEL: *UN observers confirm that Egypt has more forces in the limited armaments zone than are allowed by the Sinai II disengagement agreement. They report that Egypt has 16 infantry battalions within the limited armaments zone; the agreement limits each side to eight.*

The 16 battalions were located in an area extending from Port Said on the Mediterranean to an area southeast of Port Tawfiq at the mouth of the Gulf of Suez. With the exception of one infantry battalion and a few combat support units at Port Said, the deployed battalions and combat support units probably are lead elements of the five infantry divisions located on the west bank of the canal.

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LEBANON: *Leftist leader Kamal Jumblatt, who originally insisted that a new president be chosen before May 2, has now protested holding the elections so soon after President Franjiyah's approval of the election law.*

Jumblatt apparently wants more time to map out his strategy and has intimated that he may not participate in the election unless it is postponed. Although his threats are being widely regarded as pre-election maneuvering, they have cast new uncertainty around the election.

Jumblatt's protest may have been partially responsible for an escalation in the fighting yesterday. A leftist group reportedly attacked Christian-held territory in Beirut's port area. Clashes also erupted in the mixed Christian-Muslim villages east of the capital.

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PORTUGAL: *The Popular Democratic Party has modified its position on pulling out of the provisional government.*

In a statement issued Tuesday evening, the party said it had placed its government posts "at the disposal" of Prime Minister Azevedo, implying that he could shuffle the cabinet at his discretion.

Popular Democratic ministers did not attend a cabinet meeting yesterday. A party spokesman said

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they would stay away until Azevedo decides whether they should remain in office.

The party was probably influenced in changing its position by the Army General Staff. The General Staff reportedly told the Popular Democratic secretary general that it wanted to avoid a crisis over the provisional government that could give President Costa Gomes a pretext for remaining in office.

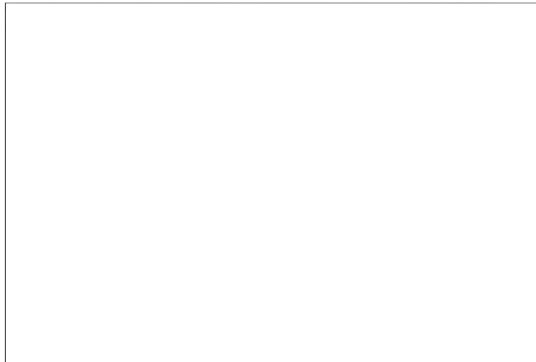
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NOTES

The Soviet Union's
statement yesterday re-
iterating its interest
in reconvening the Ge-
neva peace conference
seems timed chiefly to
coincide and compete
with discussions on the
renewal next month of
the mandate for the UN
force on the Golan
Heights.

The statement offers a new course
of procedure and is intended to ^{25X1}
appeal to both the Palestinians
and Israel.



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Egypt and the USSR
signed their 1976 trade
protocol yesterday.

The new agreement calls for trade
valued at \$642 million in 1976--
a third less than in 1975--and
allows for an Egyptian trade sur-
plus of \$142 million to be used
to reduce Egypt's debt to the
USSR.

Beyond the expulsion of five So-
viets last week from the Hulwan
steel mill for an alleged "slow
down," Cairo has taken no overt
steps to reduce the level or char-
acter of its economic relationship
with the Soviet Union. Most of
the 1,800 Soviet technicians as-
signed to economic projects in
Egypt will probably remain until
their contracts expire or their
projects are completed.

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OPEC attitudes on oil price levels appear to have moderated since last September's meeting when most producers were in favor of some increases.

Abu Dhabi's petroleum minister has said that no firm recommendations were reached on a price hike at the unpublicized conclave of OPEC oil ministers in Geneva last week, but that the United Arab Emirates, Saudi Arabia, Venezuela, and Kuwait now favor continuing the price freeze until the end of the year. Earlier reporting indicated that Algeria also would support a freeze. The petroleum minister stated that Iran and perhaps some others favor a small increase.

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Greece and Turkey have agreed to hold another round of talks on the Aegean continental shelf.

[REDACTED] the meeting will probably take place this June in Bern if there is agreement on the terms of reference. Neither side seems ready to compromise, although the results of the Law of the Sea Conference now in progress could provide some new grounds for discussion.

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Athens' agreement to another meeting, as well as the approaching US Congressional debate on the Greek and Turkish military assistance packages, might incline Ankara to postpone exploration in contested waters.

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[redacted]

[redacted] Jordan [redacted]

Syria [redacted]

[redacted]

[redacted]

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Spanish Prime Minister
 Arias' speech last
 evening provided the
 most detailed present-
 ation of the govern-
 ment's reform program
 yet presented, but it
 will satisfy neither
 left nor right.

Arias outlined specific reform
 measures planned by the government
 and offered a timetable for imple-
 mentation. His call for a referen-
 dum on constitutional reforms by
 next October and general elections
 early in 1977 sets a more leisurely
 pace for the program than reformers
 such as Foreign Minister Areilza
 had been urging. Except for the
 electoral law, all reform measures
 are to be ready for submission to
 parliament by May 15.



The Prime Minister reaffirmed the
 government's refusal to legalize
 the Communist Party.

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 Ethiopian 

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*Panama is attempting
to extradite the cap-
tain of a US-registered
fishing boat presently
in Canal Zone waters.*

The boat allegedly was fishing 25X1
within Panama's 200-mile limit.
A Panamanian ship has taken up
position near the Atlantic entrance
to the canal, possibly to intercept
the fishing boat if it is not de-
tained by Canal Zone authorities.

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